



Downtown Center Business Improvement District

BOARD OF DIRECTORS MEETING November 6, 2013

Board of Directors

Barbara Bundy, Robert Cushman, Sauli Danpour, Kathy Faulk, Simon Ha, Robert Hanasab, Peklar Pilavjian, Carol Schatz, Patrick Spillane, Cindy Troesh

Absent

Eric Bender, Jim Bonham, Marty Caverly, Richard Costanzo, David Damus, Clare De Briere, Frank Frallicciardi, Steve Hathaway, Daniel Swartz, Cari Wolk, Adele Yellin, Peter Zen

Staff

Hal Bastian, Jeff Chodorow, Nina Decker, Randall Ely, Suzanne Holley, Joshua Kreger, Lauren Mitchell, Lena Mulhall, Ken Nakano, Herman Pang

Guests

Michael Czarzinski (as proxy for Peter Zen), Bryan Plymell (as proxy for Jim Bonham), Brian Saenger (as proxy for Clare De Briere), Olga Arroyo, Metro; Steve Needleman, Shiraz Tangri, Jessica Hencier, LA Streetcar.

CALL TO ORDER

Faulk called the meeting to order at 8:08a.m. without a Quorum. Faulk asked the attendees to say their name and company representing. Quorum reached at 8:33a.m.

Schatz introduced and welcomed Suzanne Holley, Chief Operating Officer for DCBID and CCA and thanked Randall Ely for his service to the BID as interim COO. Ely will remain with the BID during the transition through the end of the year. Schatz also introduced and welcomed Joshua Kreger, Research and Special Projects.

Faulk introduced special guest Olga N. Arroyo, Construction Relations Manager for Metro – Regional Connector. Olga spoke to the Board on the current status of the Regional Connector.

Czarzinski asked if a presentation to the Board could be made regarding cut and cover construction.

Faulk also introduced Steve Needleman and Shiraz Tangri, LA Streetcar, who spoke to the Board on the current status of the LA Streetcar project and recently projected higher than anticipated utility relocation costs. They noted that the LA Streetcar has engaged a consultant to verify utility locations and that relocation costs should be more refined in 30 to 60 days.

PROPERTY OWNER OR PUBLIC COMMENT: None

APPROVAL OF MINUTES

Approval of minutes from October 2, 2013. A motion was made by Danpour to approve the minutes, Bundy seconded and motion was approved with one abstention.

FINANCE

A motion to ratify the Budget as proposed was raised by Pilavjian, Bundy seconded and motion was approved with one abstention.

Pilavjian noted that the reserve was growing and that excess funds should be reinvested into the district. Schatz noted that the 2014 budget includes expenses of \$150,000? in excess of projected income in order to utilize some of this reserve.

PRESIDENT'S REPORT

Carol Reported:

The DCBID Halloween party was a huge success. Carol thanked all of the staff for their efforts and strongly urged the Board to attend next year's event so they can have an opportunity to see how the Downtown community has grown.

Carol announced that Nina Decker has been promoted to Assistant Director of Economic Development. Peklar took a moment to say thanks to the BID staff for all that they do to make the BID a success.

Carol announced upcoming events for CCA and DCBID: Architects Panel on Nov. 21; CCA Holiday Party on Dec. 10; and Investors Conference on Jan. 9, co-sponsored by DCBID and CCA.

Carol announced that CCA convened a special working group meeting to discuss Councilmember Jose Huizar's proposed Interim Control Ordinance (ICO) which, if adopted, would ban or greatly restrict low-rise and mid-rise development in the areas around the Convention Center and Pershing Square. The intent of the proposed ordinance is to preserve scarce land available for future high-rise hotel and transit-oriented development, until the City can adopt legislative changes to both streamline and incentivize more high rise and hotel development. In addition to outlining what types of incentives the City can pursue to fuel more high rise development, the working group discussed whether the proposed boundaries for the ICO area were appropriate, what trigger point should be utilized for a grandfathering clause and what types of projects should be exempted from the ICO.

Moving forward, CCA will advocate on behalf of Downtown business interests by formulating recommendations for a comprehensive incentive package. These recommendations will be presented to the City in order to facilitate new high rise and hotel development, in order to accommodate the growing needs of the Convention Center.

Carol noted that traffic has been significantly impacted as a result of the installation of the bicycle lanes on 7th Street between Figueroa and Main. She announced that a meeting with property owners is to be scheduled in December to get their reactions to the project.

Carol announced that Councilman Huizar was today to introduce a motion to allow street vending and that the CCA would be monitoring the progress of that initiative.

Lastly, Carol updated the Board on the status of the legislation regarding the BIDS. Paul Rohrer from Loeb & Loeb is revising legislation and once it's in a form that's marketable DCBID will hire a lobbyist.

OPERATIONS

Ken Reported:

Safety:

The safety patrols have been focusing on the following areas:

- 7th Street Corridor, an increase in quality of life incidents predicated that we increase our presence on the corridor. This was done using, foot and bike patrols.
- 4th Street between Hope & Olive. As we clean up other areas, it has forced relocation of property to this location.
- 9th & Flower, due to an increase in quality of life issues the Patrols have stepped up their visible presence around Ralphs.

	<u>August</u>	<u>September</u>
Calls For Service	3,160	2,854
Self Initiated Calls/Incidents	10,481	10,481
LAFD Assists	8	13
LAPD Assists	17	6
Misdemeanor Incidents	1,095	826
Felony Incidents	6	7
Quality of Life Incidents	3,793	2,846

Maintenance:

Maintenance has identified approximately 75 tree wells in the district which needed to be manicured. Maintenance is also in the process of digging out old dirt and replacing it with mulch and red wood bark chips.

We are also surveying the amount of trash that is removed off of 7thStreet. This survey will be used in the future placement of trash cans along 7th Street.

BID ACTION:

The focus of the ACTION team has been on the 1st& Hill Metro area along with 3rd and Main. Each area has seen an increase in the amount of encampments that are at their respective locations. Todate, all subjects located there have been service resistant.

August:	Count #1 – 195 Count #2 – 161
September:	Count #1 – 175 Count #2 – 180

MARKETING

Mitchell Reported:

Marketing Campaigns

Our Summer Campaign, **Stay Cool in Downtown LA**, launched in July and showcased 5 suggested itineraries to help beat the summer heat as well as summer events and hotel packages. Each itinerary featured a narrative, map, and business information (photo, hours, and address, etc.)

We promoted the campaign with press outreach, radio spots on Star 98.7, Downtown News ads, LA Weekly ads and an email blast banner, online banners with LA Times and LA Magazine, Facebook and Google advertising, printed postcards, and a booth at Art Walk. We also ran a sweepstakes featuring tickets to the IMAX at California Science Center, lunch at TASTE FIGat7th, dinner at Café Pinot, one night at the LA Athletic Club, and gift cards from CityTarget, Sport Chalet, Gold's Gym and Barista Society.

Stops on our itineraries include:

Grand Park, Grand Central Market, LA Central Library, Qdoba, Sprinkles, FIGat7th, Expo Line, CA Science Center, Kendall's Brasserie, The Biltmore, Bottega Louie, Macy's, Brigade, Mo-Chica, Boba 7, FIDM, WP24, Bonaventure Brewing Company, Barista Society, Walt Disney Concert Hall, REDCAT, MOCA, Angel's Flight, G+B Coffee, Sticky Rice, Horse Thief, Valerie, Bradbury Building, Jewerly District, Mas Malo, Seven Grand Whiskey Bar, Gold's Gym, Caffé Primo, Dr. J's Vibrant Café, Peddler's Creamery, The Standard and Spin Standard, Café Pinot, Le Ka, and Elevate Lounge.

The campaign transitioned to evergreen messaging on our website at www.DowntownLA.com/VisitDTLA.

The results included:

- Over 200 new photos posted on Instagram
- 18.47% increase in page views on DowntownLA.com compared to last year's campaign
- A total of 6,602,787 impressions, valued at \$158,467 (budget was \$30,000)
- Barista Society and Qdoba reported that our campaign increased their sales and foot traffic. The Biltmore Hotel also reported that the DCBID campaign was fundamental to their successful summer.

We are currently planning the DCBID's holiday marketing campaign that will promote holiday shopping and events in Downtown LA. The campaign will highlight over 40 holiday concerts, performances, and activities, and provide a guide to holiday shopping. The campaign will be supported by an advertising plan that includes radio spots, print ads in the Downtown News, search engine marketing, social media, flyers, a holiday video, sweepstakes, and public relations. The website, www.downtownla.com/holidays, will launch on November 25 and will be live through December 31.

Website

We have been posting new businesses, upcoming events, and promotions on our website. We also offered additional exposure for many Downtown LA programs, offering them enhanced presence in our e-newsletters and on our website:

- LA Film Festival

- Eat | See | Hear Festival
- Street Food Cinema
- Summer on the Plaza at FIGat7th
- Grand Performances
- MBA World Tour
- The Purge
- Mo-Chica's Tuesday Night Prix Fixe Dinners

We issued an RFP for a website redesign, and plan to select the firm in mid-December.

Downtown Guides Program

The Downtown Guides were active in their outreach to businesses, residents, and visitors in the Downtown Center. The Guides were present at the weekly Farmers' Markets, National Night Out August 6, LA Food and Wine Festival August 22-25, 14th Annual Public Safety Appreciation BBQ September 6, the DCBID Resident Mixer October 2, and the 6th Annual Halloween Party for Downtown LA Kids October 31.

The rotating schedule for the kiosk targets the most popular intersections in Downtown for pedestrians and includes: 7th and Hope, 7th and Flower, 6th and Olive, FIG at 7th, and Bank of America Plaza on Bunker Hill.

The Welcome Map and Bags continue to be in high demand. The maps are distributed via our Downtown Guides in Downtown LA, and via Certified Folder Display to major transportation hubs and tourist attractions in Southern California. The Welcome Bags greeted new tenants and residents when they moved in.

eNewsletter

The DCBID's monthly e-newsletters were sent to over 35,000 current subscribers. They highlighted new business openings, Downtown events, and special offers to our subscribers.

Property Owner Quarterly Newsletter

The July-September quarterly newsletter arrived to stakeholders in early September. The issue highlighted 2014 Investor Conference coming up in January, Demographic Study release, and upcoming DCBID events. We are currently designing the Q4 Newsletter; it will focus on the January 9 Investor Conference.

Events

Public Safety BBQ

The 14th Annual Public Safety BBQ was held on Friday, September 6 from 11:30am –1:30pm on the plaza of the FIGat7th.

Nearly 1,000 people attended this event to raise money for the Sheriff's Youth Foundation and honor Downtown's public safety officers. Guest speakers were Kathy Faulk, Robert Cushman, Congressman Xavier Becerra, Councilman Tom LaBonge, Stephanie Romero, Office of Assembly Member Jimmy Gomez, Mike Rothans, County of Los Angeles Sheriff's Department , Commander Sherman, City of Los Angeles Police Department, Deputy Chief Yamahata, City of Los Angeles Fire Department and John March, Chief Development Officer, Sheriff's Youth Foundation of Los Angeles County.

We would like to thank all our sponsors for the making the event possible, especially our Gold Sponsors: Morton's The Steakhouse, California Pizza Kitchen, Juicy Lucy, Omni Los Angeles Hotel at California Plaza, Brookfield and FIGat7th , IDS Real Estate Group, Tucker Ellis LLP, Downtown News, and Brigade and One 77 Studio.

We raised \$26,000 from sponsorship and ticket sales, however we were about \$2,000 short of breaking even due to lower than expected attendance due to the 100+ temperatures. We are working on new ideas for next year to bring the cost of producing the event down.

Halloween Party for Downtown LA Kids: Thursday, October 31

The 6th Annual Halloween Party for Downtown Kids at FIDM's Grand Hope Park on Thursday, October 31 from 5-8pm was a success! Children enjoyed marionette shows, bouncy houses and slides, crafts, hot dogs, and "trick-or-treat doors." Over 15 websites included the event in their list of recommended events for Halloween, and the Downtown New ran pre and post coverage. We were able to raise \$5,000 this year; many thanks for our sponsors!

Resident Mixer

As part of the DCBID's initiative to build community among Downtown LA residents, we hosted a mixer at the LA Athletic Club on October 2 where residents from seven buildings enjoyed a presentation about the DCBID, refreshments, a raffle, and a Q&A.

Public Relations

The 2013 Demographic Study was released on Thursday, September 19 at the home of Simon Ha and his wife Nikki Olson Ha. Media in attendance included:

Marketing Roundtable Meetings

The DCBID hosted its monthly Roundtable Meetings attended by 80 guests. Presenters included Yelp, Downtown's new Turkey Trot, The Purge, and Center Theatre Group.

ECONOMIC DEVELOPMENT

Bastian Reported:

New Team Member

Josh Kreger joined the DCBID Economic Development Team in August 2013. Josh was previously with Kosmont Companies and worked in the LA City Planning Department. Josh has his JD from University of San Diego School of Law.

Investors Conference

We completed many elements of the event, including finalizing the speaking panels, securing the venue and buses, and finalizing the invitation and registration page.

International Downtown Association

The DCBID Economic Development Team attended the International Downtown Association World Conference in New York City in early October. It was a great opportunity to learn about best practices from other major cities around the world. The conference hosted 14 different countries with panels ranging from retail recruiting to public safety.

Office Building Sales

- Brookfield Office Properties, Inc. completed its purchase of longtime L.A. office tower owner MPG Office Trust Inc. on October 15. The former MPG buildings include the Gas Co. Tower and [Wells Fargo](#) Tower on Bunker Hill. Brookfield agreed to pay about \$430 million for four of MPG's high-rises in April and assume \$2 billion in MPG's debt. Complete financial terms of the deal were not disclosed, but real estate experts estimated the full value at \$3 billion.
- On September 30, CommonWealth Partners bought the 2.8 million-square-foot City National Plaza for \$858 million. The purchase included the twin 52-story office towers – known as City National Tower and Paul Hastings Tower – four levels of underground retail, a three-story “jewel box” structure and thousands of parking spaces. It came on the market when Sacramento-based CalStrs and longtime investment partner Thomas Properties Group Inc. opted to liquidate a joint venture.

Residential Market

- Holland Partners celebrated the Grand Opening of their newest Downtown Los Angeles project 1111 Wilshire which is located in City West. This \$60 million project is a ground-up, mixed-use development with 210 residential apartments. Plan Check from Sawtelle Blvd. will be opening in the next few months.
- The Megatoys mixed-use project, a 320-unit apartment complex above stores and restaurants in two five-story buildings flanking Garey Street between 1st and 2nd streets started construction in September. The project will cost close to \$100 million to build and should be complete by the third quarter of 2015.
- In October, work began on the Blossom Plaza mixed-use complex, a \$100-million real estate development in the heart of Chinatown. Blossom Plaza will have 237 residential units.
- On October 4, Mack Urban, in conjunction with AECOM, acquired six acres in South Park and plans to break ground on a new residential development in 2014. Expected to span ten years, the construction will begin on a 42-story tower.

Retail Recruitment Program

- Brookfield Office Properties announced on October 16 that apparel company H&M is set to open a store in the FIGat7th shopping center. At 32,000 square feet, the store will be among the chain's biggest in the country.
- The last three months, the DCBID welcomed 13 new businesses: Ebano's Crossing; Panini Café; Clementine's Popsicles; TLT Foods; Create Your Health Teas; Sushi Zo; Evoke Yoga Studio; Pizza Studio; Bugis Street Brassiere; Honeycut; Your Neighborhood Dance Studio; Etchea and Pressed Brother's Juicery.
- We met with 12 Downtown developers regarding new hotel, residential development sites, as well as retail recruiting for their Downtown properties.
- Nina attended the Southern California Development Forum at the Luxe Hotel which featured The Ratkovich Company, The Metropolis Development Project and the Union Station Redevelopment Plan.
- Nina attended the Crocker Symposium at the Biltmore Hotel regarding development challenges and creative office users.
- We continued to support The Ratkovich Group in their retail recruiting for The Bloc.
- We toured 12 restaurants that are interested in opening in our District.

Creative Office Committee

The DCBID Economic Development and Marketing Teams worked together to create a Creative Office Committee with input from stakeholders. This committee will be focusing on developing original marketing tools and working with Downtown Brokers to attract new office tenants.

Demographic Study

Downtown LA's Demographic Survey for 2013 concluded in April with nearly 9,000 respondents. This survey is the key tool used in recruiting businesses and investment into our District. The results were released in September with a press conference.

Economic Development Research

Josh updated the DCBID's research and statistical data for Downtown Los Angeles including the Market Report, the Cartifact Map and Housing Book database.

Broker Outreach

We met with various brokerage firms to discuss recruiting retail tenants to Downtown including: CBRE, Colliers, illi Commercial Real Estate, May Realty Advisors, Keller Williams, Downtown Properties, Lincoln Properties, BRC Advisors and Runyon Group.

Quarterly DRMA Networking Event

- We hosted a DRMA Event with Patina Restaurant Group and the Center Theatre Group on September 24. This exclusive event hosted 30 residential managers from Downtown Los Angeles.
- The next DRMA Event will be hosted in December at Bunker Hill Bar & Grill.

Quarterly Resident Mixer

The DCBID hosted a resident mixer at the Los Angeles Athletic on October 2. With over 100 residents in attendance, it was a huge success. Grand Central Market was the highlighted speaker for the night.

Housing Tours

The DCBID did not host any tours in the month of August, as we were dark. But we had four very successful tours in September and October.

OLD BUSINESS: None

NEW BUSINESS: None

ADJOURNMENT: The next meeting is scheduled for December 4, 2013. The meeting was adjourned.